

## Message Text

CONFIDENTIAL

PAGE 01 BONN 10620 251356Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 SP-02 L-03 INR-07 SSO-00  
INRE-00 /040 W

-----087747 251358Z /41

O 251302Z JUN 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 9344

C O N F I D E N T I A L BONN 10620

STADIS//////////

E.O. 11652: GDS

TAGS: EGEN GW

SUBJECT: SENSITIVE IRS INVESTIGATION

REF: BONN 10591

1. EMBASSY IRS REP (SPENCER) INFORMED US JUNE 25 THAT HE HAD SPOKEN LATE JUNE 24 WITH HIS HOME OFFICE ABOUT MATTER DISCUSSED IN REFTEL. HIS WASHINGTON SUPERIOR WAS INITIALLY ANGRY AT POSSIBILITY OF FURTHER DELAY IN MATTER FIRST RAISED WITH DEPARTMENT MONTHS AGO, PARTICULARLY AS CASE MUST BE PRESENTED TO GRAND JURY NO LATER THAN END OF JULY. HE SEEMED TO BELIEVE PROBLEMS OF THIS KIND COULD BE AVOIDED IN FUTURE BY IRS DIRECT APPROACHES FROM WASHINGTON WITHOUT USING EMBASSY IRS REP FOR INITIATIVES.

2. SPENCER STATED HE HAD TOLD HIS SUPERIOR THAT HE AGREED WITH EMBASSY THAT MATTER WAS SENSITIVE AND THAT IT WOULD BE UNFAIR TO PROSPECTIVE WITNESSES AND POLITICALLY UNWISE TO SWITCH PROCEDURES WITHOUT GIVING THEM COURTESY OF ADVANCE NOTICE AND EXPLANATION.

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3. IRS WASHINGTON FINALLY PROPOSED TO SPENCER THAT THEY WRITE DIRECTLY TO THE WITNESSES EXPRESSING REGRET THAT MATTERS CANNOT PROCEED AS ORIGINALLY PROPOSED AND THAT UNDER US/FRG TAX TREATY IRS MUST SEEK ASSISTANCE OF THE COMPETENT FRG AUTHORITIES, I.E., FMOF. IN RESPONSE TO SPENCER'S QUESTION WHETHER THIS WOULD MEET NEEDS OF EMBASSY, EMBOFF REPLIED THAT IT WOULD

SEEM TO MEET THE COURTESY CONCERNS EMBASSY HAD EXPRESSED TO HIM (SEE REFTEL). EMBOFF SUGGESTED, HOWEVER, THAT SUCH LETTERS GO OUT NOT ONLY TO THE FOUR WITNESSES WHO HAD RESPONDED TO IRS' FIRST LETTER, AS IRS SUGGESTED, BUT ALSO TO THOSE TWO THAT HAVE NOT RESPONDED, REASON FOR NOTICE OF CHANGE IN PROCEDURES BEING EQUALLY APPLICABLE TO ALL.

4. SPENCER WAS DUBIOUS THAT IRS WOULD BE PREPARED TO FURNISH EMBASSY COPIES OF SECOND SET OF LETTERS; THUS, UNLESS DEPARTMENT INSISTS, IRS WILL PROBABLY BE RELUCTANT TO INVOLVE DEPARTMENT IN PREPARATION OF THE TEXT OF THOSE LETTERS.

5. SPENCER PLANS TO TELEX HIS HEADQUARTERS JUNE 27 REPORTING ON ABOVE AND SUGGESTING LETTERS BE SENT TO ALL SIX WITNESSES.

6. COMMENT: WHILE SPENCER HAS BEEN UNDERSTANDING OF EMBASSY'S CONCERNS ABOUT THIS MATTER, IT IS OBVIOUS THAT HIS HOME OFFICE DOES NOT UNDERSTAND THAT IF IRS ACTIVITIES IN FRG, WHETHER CONDUCTED BY IRS REP HERE OR BY IRS FROM WASHINGTON, ARE NOT HANDLED WITH RESTRAINT AND COURTESY, THEY MAY AFFECT NOT ONLY FRG OFFICIAL ATTITUDE TO WORK OF IRS REP IN BONN, BUT COULD HAVE EFFECT ON US/FRG RELATIONS.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009